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Economic and Social Commission for Asia and the Pacific
Second Asian and Pacific Energy Forum

Bangkok, 3–5 April 2018
Agenda item 7
Adoption of the ministerial declaration on regional cooperation for energy transition towards sustainable and resilient societies in Asia and the Pacific and the report of the Forum

Draft report

I. Matters calling for action by the Commission or brought to its attention

A. Matters calling for action

1. The Second Asian and Pacific Energy Forum requests that the Economic and Social Commission for Asia and the Pacific (ESCAP), at its seventy-fourth session, endorse the Ministerial Declaration on Regional Cooperation for Energy Transition towards Sustainable and Resilient Societies in Asia and the Pacific and support its implementation.

B. Matters brought to the attention of the Commission

2. The following decision adopted by the Forum is brought to the attention of the Commission:

Decision 1

The Forum adopts the Ministerial Declaration on Regional Cooperation for Energy Transition towards Sustainable and Resilient Societies in Asia and the Pacific.

II. Proceedings

A. Review of the draft ministerial declaration on regional cooperation for energy transition towards sustainable and resilient societies in Asia and the Pacific
(Agenda item 2)

3. The Forum had before it the note by the secretariat on the review of the implementation of the Plan of Action on Regional Cooperation for Enhanced Energy Security and the Sustainable Use of Energy in Asia and the Pacific, 2014–2018 (ESCAP/APEF/2018/1 and ESCAP/APEF/2018/1/Corr.1); the note by the secretariat entitled "Energy transition in Asia and the Pacific: pathways to ensure access to affordable, reliable, sustainable and modern

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energy for all" (ESCAP/APEF/2018/2 and ESCAP/APEF/2018/2/Corr.1); the report of the Regional Preparatory Meeting for the Second Asian and Pacific Energy Forum (ESCAP/APEF/2018/INF/1); and the draft ministerial declaration (ESCAP/APEF/2018/L.3/Rev.2).

4. Representatives of the following members and associate members of the Commission made statements: Azerbaijan; Bangladesh; Bhutan; China; Fiji; India; Indonesia; Japan; Lao People's Democratic Republic; Mongolia; Nepal; Pakistan; Russian Federation; Timor-Leste; Turkey; United Kingdom of Great Britain and Northern Ireland; and United States of America.

5. The Forum agreed to the text of the draft ministerial declaration of the Second Asian and Pacific Energy Forum as contained in document ESCAP/APEF/2018/L.3/Rev.2 with amendments, and requested the Chair of the senior officials segment to report on the outcome of the deliberations to the ministerial segment.

B. Other matters

(Agenda item 3)

6. No other matters were raised.

C. Policy perspectives on the role of regional cooperation for energy transition towards sustainable and resilient societies in Asia and the Pacific

(Agenda item 5)

7. The Forum had before it the note by the secretariat on the review of the implementation of the Plan of Action on Regional Cooperation for Enhanced Energy Security and the Sustainable Use of Energy in Asia and the Pacific, 2014–2018 (ESCAP/APEF/2018/1 and ESCAP/APEF/2018/1/Corr.1), and the note by the secretariat entitled "Energy transition in Asia and the Pacific: pathways to ensure access to affordable, reliable, sustainable and modern energy for all" (ESCAP/APEF/2018/2 and ESCAP/APEF/2018/2/Corr.1).

8. Keynote addresses were delivered by Mr. Twarath Sutabutr, Minister of Energy, Thailand; Mr. Sun Xiansheng, Secretary-General, International Energy Forum; Ms. Joyashree Roy, Jadavpur University; and Mr. Edward Lock, McKinsey and Company. The speakers focused on the challenges, potential and outlook of the energy transition in the Asia-Pacific region and the pathways to it.

9. Representatives of the following members and associate members made statements: Afghanistan; Armenia; Australia; Azerbaijan; Bangladesh; Bhutan; China; Fiji; Georgia; India; Indonesia; Kiribati; Lao People's Democratic Republic; Mongolia; Myanmar; Nepal; Pakistan; Republic of Korea; Russian Federation; and Viet Nam.

10. A representative of the International Atomic Energy Agency made a statement.

11. Representatives of the following intergovernmental organizations made statements: Association of Southeast Asian Nations (ASEAN) Centre for Energy; Asian Development Bank; Eurasian Development Bank; Global Energy Interconnection Development and Cooperation Organization; International Renewable Energy Agency; International Solar Alliance; and Islamic Development Bank.

12. Speakers thanked the Government of Thailand and ESCAP for hosting the meeting and highlighted the importance of energy for the world economy. Energy demand had continued to rise, particularly in the fast-growing economies in the region. The aim of the energy transition was to ensure the wise and sustainable use of resources, and national transition road maps could help guide that process if aligned with other national policies and Sustainable Development Goal 7. That type of strategy could also provide the investment perspectives necessary to attract funds, together with the support of international financial institutions. The importance of development partners in this process for least developed countries was mentioned. As the national institutional arrangements were crucial, establishing national coordination councils or similar bodies should be considered.

13. The Forum noted the impressive progress made in many countries in expanding access to electricity, but also highlighted that over 420 million people still had no access to electricity. One of the challenges noted in that regard was the matching of the demand mix with the right type of energy supply, since different types of users required different types of energy. Facing limited resources, countries had difficult choices to make regarding the question of whether to invest in expanding access, in upgrading transmission lines or in expanding the share of renewables. It was difficult to pass on the cost of new infrastructure when the majority of the customers were poor, especially since electricity access alone did not ensure economic development and additional interventions were required. The provision of access to clean cooking fuels and technology remained a challenge in the region, requiring much higher levels of investment, technology dissemination and international cooperation. In addition, some of the progress made on clean cooking was now being threatened by rising energy prices.

14. Political commitment and a clear strategy were the key to the expansion of electricity access. Off-grid technologies, such as solar home systems and small hydropower, could make a significant difference in achieving access in both remote and densely populated areas. The private sector had a key role to play in providing access to electricity, and adequate regulation and tariffs would be required. Clean cooking programmes could help to raise the share of the population with access to clean cooking fuels and technology, and the construction of terminals for liquefied petroleum gas was highlighted as a measure to make it more available for clean cooking purposes.

15. The challenges in addressing energy efficiency in the context of Goal 7 included evolving energy markets and the associated changes in the price and cost of energy efficiency measures that it might not be possible to pass on to consumers. Energy efficiency was at the core of the energy transition, and awareness-raising could help to change people's mindset on energy use. In the power sector, losses continued to be a major issue and grid upgrades to minimize such losses were needed.

16. However, energy efficiency was a source of savings for low-income households, with energy labelling an important first step in that direction. Two important elements identified for consideration were the combined use of energy efficiency and renewable energy to achieve the optimal solution, in terms of technology as well as in terms of policy, and cogeneration in the power sector as an energy-efficient approach.

17. Regarding renewable energy in the context of Goal 7, the Forum noted the continued high share of fossil fuels in the energy mix, and pointed out the importance of the role of natural gas where the expansion of renewable energy resources was slow, to enable countries to move towards fuels with lower

carbon emissions. Resources were crucial for finding the right energy mix in that respect. One representative of one country pointed out that with decreasing domestic gas resources, it had been forced to move towards greater coal consumption. Nevertheless, there was agreement among country representatives, including those from countries endowed with hydrocarbon reserves, that strategies for trade and diversification were needed, including the attraction of foreign investment in the energy sector. Representatives of small island States noted that remoteness was a challenge in terms of providing access to renewable energy to the whole population through the grid, and densely populated countries might face limitations resulting from lack of surface area to deploy large-scale renewable energy. Expanding the grid, however, was essential, at the national level as well as at the cross-border level. Overall, the Forum pointed to the ability of renewable energy to increase energy security and energy access, with a view to achieving resilient societies.

18. Member States emphasized that overcoming the challenges required a pragmatic, step-by-step approach that took into account the local context. National strategies and road maps were the point of departure for that and should be aligned with Goal 7 and other national strategies. A review of existing policies could form the initial action. It was noted that, over time, more countries in the region had adopted targets for renewable energy. One policy instrument that seemed to work well included mechanisms that allowed the consumer to feed energy back into the grid through feed-in tariffs and net metering. The creation of industry associations might facilitate the development of national renewable energy industries. Also, innovative technological approaches such as wind-solar hybrid installations could be an option. Sharply declining costs of renewable energy would contribute to drive that uptake further.

19. The role of energy connectivity in achieving national energy policy targets was underscored, notably electricity and its contribution to achieving a low-carbon future. Landlocked countries would be able to benefit from connectivity in particular. A robust legal framework and adequate transmission systems were essential in addition to adequate financing. Ongoing bilateral and subregional connectivity and initiatives to further connectivity were mentioned as examples, and the holistic nature of energy connectivity, including coal trade, gas pipelines and cross-border electricity connections, was stressed. The role of connectivity in breaking down the resource constraints of each country, with its focus on mutual benefits and building a community of shared interests, was highlighted. In that way, the hydropower resources of the region could serve as a "sustainable battery". That would entail the construction of the necessary infrastructure to move from dependency to interdependency. Building on existing protocols that ensured sound development and the continued support of neighbours were needed. The Forum emphasized that regional connectivity had a key role to play in enabling the achievement of Goal 7. The first multilateral Energy Purchase and Wheeling Agreement signed by the Lao People's Democratic Republic, Malaysia and Thailand was seen to be a promising breakthrough for broader regional connectivity. It was noted that ESCAP could help to reduce non-physical barriers to connectivity. The newly established Expert Working Group on Energy Connectivity was identified as a promising platform for the promotion of regional interconnection, including the development of a regional road map on electricity interconnection. Furthermore, it was suggested that ESCAP convene a conference on technology innovation in the energy sector.

20. Regional cooperation was pointed out as a mechanism to support addressing the issues discussed. As data was the first step to enable decision makers, a regional data bank for off-grid energy solutions could be considered.

Likewise, energy models available from international organizations could benefit countries. The United Nations in general and ESCAP in particular were highlighted as platforms for exchange and coordination, and participants expressed their commitment to them in order to overcome challenges while also stressing the importance of subregional initiatives. The Commission's Committee on Energy as well as its expert working groups contributed to advancing regional connectivity. It was suggested that ESCAP, or a similar regional entity, could organize a meeting on frontier technologies for knowledge-sharing. The representative of one country said that his Government would submit its policy revisions to ESCAP for review and encouraged other countries to do the same. The establishment of a regional renewable energy institute as well as of a regional carbon market managed by a regional body were proposed.

D. Other matters
(Agenda item 6)

21. The representative of Japan informed the Forum that the negotiations on the draft ministerial declaration would continue on 5 April 2018 at 10 a.m.

E. Adoption of the ministerial declaration on regional cooperation for energy transition towards sustainable and resilient societies in Asia and the Pacific and the report of the Forum
(Agenda item 7)

22. The Forum adopted the present report on 5 April 2018.

III. Organization

A. Opening, duration and organization of the Forum

23. The Second Asian and Pacific Energy Forum was held in Bangkok from 3 to 5 April 2018. The Forum was opened by Mr. Virasakdi Futrakul, Deputy Minister of Foreign Affairs, Thailand. The Executive Secretary of ESCAP and Mr. Kirill Molodtsov, Deputy Minister of Energy, Russian Federation, made statements.

B. Attendance

24. The Forum was attended by representatives of the following members and associate members: Afghanistan; Armenia; Australia; Azerbaijan; Bangladesh; Bhutan; China; Democratic People's Republic of Korea; Fiji; Georgia; India; Indonesia; Iran (Islamic Republic of); Japan; Kazakhstan; Kiribati; Lao People's Democratic Republic; Mongolia; Myanmar; Nepal; Pakistan; Papua New Guinea; Philippines; Republic of Korea; Russian Federation; Sri Lanka; Thailand; Timor-Leste; Turkey; United Kingdom of Great Britain and Northern Ireland; United States of America; Uzbekistan; and Viet Nam.

25. Representatives of the following United Nations bodies, specialized agencies and funds attended: Food and Agriculture Organization of the United Nations; International Atomic Energy Agency; International Labour Organization; secretariat of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa; United Nations Development Programme; United Nations Environment Programme; United Nations

Industrial Development Organization; United Nations Office for Disaster Risk Reduction; and World Health Organization.

26. Representatives of the following intergovernmental organizations attended: ASEAN Centre for Energy; Asian Development Bank; Eurasian Development Bank; International Solar Alliance; and Islamic Development Bank.

27. Representatives of the following non-governmental organizations, civil society organizations and other entities attended: China Electricity Council; China General Nuclear Power Corporation; Global Energy Interconnection Development and Cooperation Organization; Jadavpur University; McKinsey and Company; and ME SOLshare Ltd.

C. Election of officers

28. The Forum elected the following officers:

Chair:	Mr. Awais Ahmad Leghari (Pakistan)
Vice-Chairs:	Mr. Ali Ahmad Osmani (Afghanistan) Mr. Tawfiq-e-Elahi Chowdhury (Bangladesh) Mr. Fanrong Li (China) Mr. Vijay Nath (Fiji) Mr. Romeo Mikautadze (Georgia) Mr. Ruateki Tekaiara (Kiribati) Mr. Sinava Souphanouvong (Lao People's Democratic Republic) Mr. Davaasuren Tserenpil (Mongolia) Mr. Win Khaing (Myanmar) Mr. Barsha Man Pun (Nepal) Mr. Kang-hyeon Yun (Republic of Korea) Mr. Kirill Molodtsov (Russian Federation) Mr. Siri Jirapongphan (Thailand)

29. The senior officials segment of the Forum elected the following officers:

Chair:	Mr. Vijay Nath (Fiji)
Vice-Chairs:	Mr. Hitoshi Kozaki (Japan) Mr. Talyat Aliev (Russian Federation)

D. Agenda

30. The Forum adopted the following agenda:

Senior officials segment

1. Opening of the senior officials segment:
   (a) Opening addresses;
   (b) Election of officers;
   (c) Adoption of the agenda.
2. Review of the draft ministerial declaration on regional cooperation for energy transition towards sustainable and resilient societies in Asia and the Pacific.
3. Other matters.

Ministerial segment

4. Opening of the ministerial segment:

   (a) Opening addresses;

   (b) Election of officers;

   (c) Adoption of the agenda.

5. Policy perspectives on the role of regional cooperation for energy transition towards sustainable and resilient societies in Asia and the Pacific.

6. Other matters.

7. Adoption of the ministerial declaration on regional cooperation for energy transition towards sustainable and resilient societies in Asia and the Pacific and the report of the Forum.

8. Closing of the Forum.

E. Other events

31. On 5 April 2018, a seminar on government-business dialogue in achieving Sustainable Development Goal 7 was held.

Annex

List of documents

Symbol	*Title*	*Agenda item*
General series		
ESCAP/APEF/2018/1 and ESCAP/APEF/2018/1/Corr.1	Review of the implementation of the Plan of Action on Regional Cooperation for Enhanced Energy Security and the Sustainable Use of Energy in Asia and the Pacific, 2014–2018	2 and 5
ESCAP/APEF/2018/2 and ESCAP/APEF/2018/2/Corr.1	Energy transition in Asia and the Pacific: pathways to ensure access to affordable, reliable, sustainable and modern energy for all	2 and 5
Limited series		
ESCAP/APEF/2018/L.1	Annotated provisional agenda	1 (c)
ESCAP/APEF/2018/L.2	Draft report	7
ESCAP/APEF/2018/L.3 and ESCAP/APEF/2018/L.3/Rev.1	Draft outcome document	2 and 7
ESCAP/APEF/2018/L.3/Rev.2	Draft ministerial declaration on regional cooperation for energy transition towards sustainable and resilient societies in Asia and the Pacific	2 and 7
Information series		
ESCAP/APEF/2018/INF/1	Report of the Regional Preparatory Meeting for the Second Asian and Pacific Energy Forum	2
Information available online		
www.unescap.org/events/apef2	Information for participants	
www.unescap.org/events/apef2	List of participants	
www.unescap.org/events/apef2	Tentative programme	

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